

OVERSIGHT BOARD RESOLUTION NO.____

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE FORMER COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF
MONTEBELLO APPROVING THE JANUARY 4, 2011
REDEMPTION PAYMENT RELATING TO THE
MONTEBELLO ECONOMIC REVITALIZATION
PROJECT 1993 TAX ALLOCATION BONDS, MADE FROM
THE FORMER COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF MONTEBELLO TO THE
CITY OF MONTEBELLO**

WHEREAS, on June 30, 1993, the Community Redevelopment Agency of the City of Montebello (“Agency”) issued the Montebello Economic Revitalization Project 1993 Tax Allocation Bonds in the amount of \$4,757,015 (the “Bonds”), and the proceeds thereof were used for legitimate redevelopment purposes;

WHEREAS, the Bonds were purchased by the City of Montebello (“City”) on the open market, and were scheduled to mature on June 1, 2012, provided that the City had an optional right to redeem the Bonds on any date at a price equal to the then-principal balance plus interest accrued;

WHEREAS, on December 8, 2010, the City redeemed the Bonds pursuant to its redemption right, the Agency approved the requisite redemption payment in the amount of \$5,042,436, and the payment was subsequently processed on January 4, 2012 (“Redemption Payment”);

WHEREAS, the Redemption Payment saved the Agency approximately \$856,260 in debt service payments on the Bonds that otherwise would have been due had they Bonds fully matured;

WHEREAS, the Agency was dissolved on February 1, 2012, by way of Assembly Bill (“AB”) 1x26 (as subsequently amended by AB 1484, the “Dissolution Act”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created the Montebello Successor Agency (“Successor Agency”) to effectuate the “winding down” of the Agency, and is a separate and independent public entity from the City which provides for its governance;

WHEREAS, the Dissolution Act created the Montebello Oversight Board (“Oversight Board”) to oversee, review, and approve certain actions of the Successor Agency, and is authorized to direct the disposal of the assets of the former Agency

(Health & Safety Code § 34181(a)), and to approve a request by the Successor Agency to enter into an agreement with the City (Health & Safety Code § 34181(h));

WHEREAS, the Dissolution Act authorizes the State Controller's Office to review asset transfers between the Agency and City occurring between January 1, 2011, and the date of the Agency's dissolution (Health & Safety Code § 34167.5);

WHEREAS, pursuant to its audit authority, the State Controller's Office has questioned the propriety of the Redemption Payment, but has indicated that if the Oversight Board approves the Redemption Payment the State Controller's Office will no longer question the transaction; and

WHEREAS, the Oversight Board desires to approve the January 4, 2012 Redemption Payment pursuant to its authority to direct the transfer of assets of the former Agency (Health & Safety Code § 34181(a)), and to ratify the enforceability of the Redemption Payment on the Successor Agency, as the Redemption Payment results in a net saving of \$856,260 in former Agency assets, to the direct benefit of the taxing entities.

NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. After consideration of staff presentations, reports, discussions, public comments, and other evidence presented, the Oversight Board hereby finds and declares that the foregoing recitals are true and correct and incorporate them herein.

SECTION 2. The Oversight Board finds and declares that the requirements of Health & Safety Code Section 34181(f) have been satisfied, in that the Oversight Board has held a public meeting to consider its approval of the Redemption Payment, ten (10) days advanced public notice of said meeting was provided, and members of the public have been given an opportunity to comment on the Redemption Payment.

SECTION 3. The Oversight Board finds and declares that approval of the Redemption Payment will result in a net benefit to the taxing entities, and therefore approves the Redemption Payment in accordance with subdivision (a) of Health & Safety Code Section 34181, and subdivision (h) of Health & Safety Code Section 34181.

SECTION 4. Successor Agency staff is hereby directed to provide notice of this Resolution to the Department of Finance in compliance with Health & Safety Code Section 34179(h), and this Resolution and the actions approved hereby shall be subject to review by the Department of Finance pursuant to Health & Safety Code Section 34181(f).

SECTION 5. The Clerk of the Oversight Board shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 13th day of November, 2013

Richard Bruckner, Chairperson
City of Montebello Oversight Board

ATTEST:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the City of Montebello Oversight Board at a special meeting held on the 13th day of November 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

VACANT:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board